# EXHIBIT "3"

IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF TEXAS

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DEPOSITION OF JOE ANDERSON

APRIL 1, 2009

MARSHALL DIVISION

LELAND TAYLOR AND )

KAREN TAYLOR )

CIVIL ACTION NO.

VS. ) 2:08-cv-268(TJW)

NADEL AND GUSSMAN, LLC ) JURY

ORAL AND VIDEOTAPED DEPOSITION OF

JOSEPH G. ANDERSON

APRIL 1, 2009

ORAL AND VIDEOTAPED DEPOSITION OF JOSEPH G.

ANDERSON, produced as a witness at the instance of the Plaintiffs, and duly sworn, was taken in the above-styled and numbered cause on the 1st day of April, 2009, from 9:58 a.m. to 3:55 a.m., before Lisa Dowdy, CSR in and for the State of Texas, reported by machine method, at the offices of Provost Umphrey Law Firm, LLP, 112 East Line Street, Suite 304, Tyler, Texas 75702, pursuant to the Federal Rules of Civil Procedure and the provisions stated on the record or attached hereto.

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# DEPOSITION OF JOE ANDERSON

APRIL 1, 2009

| 1  | IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF TEXAS MARSHALL DIVISION |  |
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| 3  | LELAND TAYLOR AND ) KAREN TAYLOR )  |  |
| 4  | ) CIVIL ACTION NO.  |  |
| 5  | )   |  |
| 6  | NADEL AND GUSSMAN, LLC ) JURY   |  |
| 7  |   |  |
| 8  |   |  |
| 9  | REPORTER'S CERTIFICATION  |  |
| 10 | DEPOSITION OF JOSEPH G. ANDERSON  |  |
| 11 |   |  |
| 12 | APRIL 1, 2009   |  |
| 13 |   |  |
| 14 |   |  |
| 15 |   |  |
| 16 | I, Lisa Dowdy, Certified Shorthand Reporter in  |  |
| 17 | and for the State of Texas, hereby certify to the                                       |  |
| 18 | following:  |  |
| 19 | That the witness, JOSEPH G. ANDERSON, was duly  |  |
| 20 | sworn by the officer and that the transcript of the                                     |  |
| 21 | oral deposition is a true record of the testimony                                       |  |
| 22 | given by the witness;   |  |
| 23 | That the deposition transcript was submitted on   |  |
| 24 | the Att day of April, 2009, to Mr. Christopher  |  |
| 25 | J. Simmons for examination, signature, and return to                                    |  |
|    |   |  |

APRIL 1, 2009

1 me within 30 days of the date of receipt; 2 That the amount of time used by each party at 3 the deposition is as follows: 4 Mr. Tindel: 4 hours; 5 That pursuant to information given to the 6 deposition officer at the time said testimony was 7 taken, the following includes counsel for all 8 parties of record: Mr. Andy Tindel, Provost Umphrey Law Firm, LLP, 9 10 112 East Line Street, Suite 304, Tyler, Texas 75702, 11 Attorney for the Plaintiffs Leland Taylor and Karen 12 Taylor; 13 Mr. Christopher J. Simmons, Thompson, Coe, 14 Cousins & Irons, LLP, Plaza of the Americas North 15 Tower, 700 North Plaza Street, 25th Floor, Dallas, 16 Texas 75201, Attorney for the Defendant Nadel and 17 Gussman, LLC; 18 Ms. Laura D. Schmidt, Downs Stanford, PC, 2001 19 Bryan Street, Suite 4000, Dallas, Texas 75201, 20 Attorney for the Intervenor New Hampshire Insurance 21 Company; 22 I further certify that I am neither counsel for, related to, nor employed by any of the parties or 23 2.4 attorneys in the action in which this proceeding was 25 taken, and further that I am not financially or

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| 1. | otherwise interested in the outcome of the action. |
|----|--|
| 2  | Certified to by me this Hhay of Qpil,              |
| 3  | 2009.  |
| 4  |  |
| 5  |  |
| 6  | Lisa Dously  |
| 7  | LISA DOWDY, CSR STATE OF TEXAS NO. 4333            |
| 8  | EXPIRES DECEMBER 31, 2010                          |
| 9  | CARRIFEE REPORTING<br>FIRM REGISTRATION NO. 331    |
| 10 | 1828 ESE LOOP 323, SUITE 310<br>TYLER, TEXAS 75701 |
| 11 | (903) 596-7714 OFFICE<br>(903) 596-7749 FAX        |
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|  |  |
| , <u> </u>   | `  |
| 3 hereto, through their attorneys appearing herein,  | 3 reading of federal caption.)   |
| 4 that any and all objections to any question or   | 4 THE VIDEOGRAPHER: Good morning.  |
| 5 answer herein, except as to the form of the question   | 5 Today is April 1st, 2009. This is the oral and   |
| 6 or unresponsive answers, may be made upon the  | 6 videotaped deposition of Joe Anderson. The time is   |
| 7 offering of this cause with the same force and   | 7 approximately 9:58 a.m. We are now on the record.  |
| 8 effect as though the witness were present in person  | 8 Will the court reporter please swear in the witness.   |
| 9 and testifying from the witness stand.   | 9 JOSEPH G. ANDERSON,  |
| 10 IT IS FURTHER AGREED by and between the parties   | 10 having been first duly sworn, testified as follows:   |
| 11 hereto, through their attorneys appearing herein,   | 11 EXAMINATION   |
|  |  |
| 12 that this deposition may be signed before any Notary  | 12 BY MR. TINDEL:  |
| 13 Public.   | Q. Mr. Anderson, my name is Andy Tindel. I'm   |
| 14 IT IS FURTHER AGREED by and between the parties   | 14 a lawyer here in Tyler, and I'm representing Leland   |
| 15 hereto, through their attorneys appearing herein,   | 15 Taylor and Karen Taylor in a lawsuit filed in   |
| 16 that if this deposition is not signed and filed   | 16 federal court against Nadel and Gussman. We've not  |
|  |  |
| prior to any hearing in this cause that an unsigned  | 17 met before just a few minutes before the deposition   |
|  | · · · · · · · · · · · · · · · · · · ·  |
| 18 certified copy may be used for all purposes as  | 18 started, correct?   |
| 18 certified copy may be used for all purposes as<br>19 though signed by the said witness.   | <ul><li>started, correct?</li><li>A. Yes.</li></ul>  |
| <ul><li>18 certified copy may be used for all purposes as</li><li>19 though signed by the said witness.</li></ul>  | <ul> <li>started, correct?</li> <li>A. Yes.</li> <li>Q. Have you ever had your deposition taken</li> </ul>   |
| 18 certified copy may be used for all purposes as 19 though signed by the said witness. 20 21  | <ul> <li>started, correct?</li> <li>A. Yes.</li> <li>Q. Have you ever had your deposition taken</li> <li>before</li> </ul>   |
| 18 certified copy may be used for all purposes as 19 though signed by the said witness. 20 21 22   | <ul> <li>started, correct?</li> <li>A. Yes.</li> <li>Q. Have you ever had your deposition taken</li> <li>before</li> <li>A. No.</li> </ul>   |
| 18 certified copy may be used for all purposes as 19 though signed by the said witness. 20 21  | <ul> <li>started, correct?</li> <li>A. Yes.</li> <li>Q. Have you ever had your deposition taken</li> <li>before</li> </ul>   |
| <ul> <li>18 certified copy may be used for all purposes as</li> <li>19 though signed by the said witness.</li> <li>20</li> <li>21</li> <li>22</li> </ul> | <ul> <li>started, correct?</li> <li>A. Yes.</li> <li>Q. Have you ever had your deposition taken</li> <li>before</li> <li>A. No.</li> </ul>   |
| 18 certified copy may be used for all purposes as 19 though signed by the said witness. 20 21 22 23  | <ul> <li>started, correct?</li> <li>A. Yes.</li> <li>Q. Have you ever had your deposition taken</li> <li>before</li> <li>A. No.</li> <li>Q like we're doing here today?</li> </ul> |

#### DEPOSITION OF JOE ANDERSON

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- 1 Q. Use your hands like this. About how big
- 2 would it would be?
- 3 A. About like that, I guess (indicating).
- 4 It's 4 inches diameter by -- I would have to
- 5 measure -- 2 feet long. You know, it's got slits to
- 6 where it sets and it won't move, you know, up or
- 7 down.
- 8 Q. Okay. So the first frac job is completed
- by Halliburton and then Mr. Taylor comes in. Is he
- 10 there at your request to do the first flow back?
- 11 A. Yes, he did, and he called -- David Boone
- 12 called me and asked -- told me that Leland had, you
- 13 know, gotten let go by Baker and wanted to know if I
- 14 would put him back to work, and I said definitely.
- You know, Leland had done a lot of work for me, you know, in the past before he went to work
- 17 for -- had a better, you know, job opportunity with
- 18 Baker.
- 19 I mean, I think we even talked about
- 20 insurance. I'm sure David is just an independent
- 21 contractor. I mean, at the time Leland was doing
- 22 a lot of work for me we worked for David -- I would
- 23 have to go back through the dates -- in the late
- 24 '90s, early 2000's, and then Leland went to work for
- 25 Baker.

## Page 120

- 1 that way.
- 2 Q. And you were familiar with Mr. Taylor from
- 3 past work he had done for you?
- 4 A. Yes.
- 5 Q. Correct?
- 6 A. Yes.
- 7 Q. All right. And did you consider him to be,
- 8 you know, a good and knowledgeable flow-back hand?
- A. I consider him one of the better ones there
- $10\,$  was. I mean, he, you know, took -- you know, took
- 11 control and knew when to flow, you know, how to
- 12 adjust the chokes, you know, know what -- you know,
- 13 basically was well versed on flowing the wells back
- 14 and, you know, had drilled out plugs, you know, for
- 15 other people, I mean, had done a variety of things
- 16 other than just flow wells back.
- Q. And did you have any problems with him in
- 18 the past about any kind of safety issues or taking
- 19 chances he shouldn't have or anything like that?
- 20 A. Not that I'm -- you know, was aware of. I
- 21 mean, you know, it's -- you know, Leland was always
- 22 able to -- you know, it was bauxite. I mean, you
- 23 know, he had a reputation that he could handle any
- 24 kind of sand coming back. He just knew how to, you
- 25 know, adjust the valves and handle the chokes, and

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- 1 And then, like I say, David called me, you
- 2 know, the latter part of July, you know, and said
- 3 that Leland had gotten let go by Baker and wanted to
- 4 know if I would use him again and told me the
- 5 situation. I said, yeah, I don't have a problem. I
- 6 have a no gun policy, too, but, you know, it's not,
- you know, an issue that's going to, you know, create
- any havoc me not using Leland again, I'll put it
- 9 that way, and I -- he had always done a -- you know,
- 10 take charge, you know, type guy that handled the job
- 1 professionally, and, you know, you just never really
- 12 worry when Leland was out there.
  - Q. Okay. On the -- so was the Trawick No. 3
- 14 first flow-back -- the first flow-back job that
- 15 Leland had worked as the flow-back hand for Nadel
- 16 and Gussman after he left Baker Hughes?
- 17 A. Yeah. I mean, I guess the way I understand
- 18 it, it's the first job he did --
- 19 Q. Period?

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- 20 A. -- period, after he -- I mean, I don't know
- 21 that. I mean, I would have to -- I mean, like I
- 22 know David called me, and it was just a matter of a
- 23 few days type deal before we did the job, you know,
- 24 but, obviously, I mean, he may have caught another
- 25 one. It was one of the first ones. I'll put it

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- that was his reputation. Everybody -- and he was,
- 2 you know, one of the best, I guess, at, you know,
- 3 handling any kind of, you know, abrasive action, I
- 4 guess, would be the best way to put it.
- 5 Q. And in Leland's deposition yesterday -- I
- 6 know you weren't there, but he was saying that David
- 7 Boone has flow-back hands and flow-back consultants.
- What is the difference between those two?
- A. Well, I don't know how David -- I mean,
- 10 I -- you know, there are certain guys, I guess, can
- 11 handle the drill-out and certain hands, you know --
- 12 you know, you would have to ask David exactly what
- 13 his terminology -- I think it's more or less an
- 14 experience level.
- You know, I don't want to get, you know,
- 16 how David classifies his people, but, you know,
- 17 there will be guys that David will send out on a
- 18 drill-out, you know, and people he won't. I guess
- 19 it's more an experienced level.
- I guess that -- when you say flow-back
- consultant, I guess that would be, you know,
- 22 somebody like Leland that could do a flow back and a
- 23 drill-out both, where some of the guys are just
- 24 strictly flow back only.
  - Q. Okay. Well, I think Leland -- again, you

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- 1 been out there?
- 2 A. Well, I know we logged it and I met the
- 3 surveyor out there on location. You know, I can't
- 4 remember exactly how many times. We had other wells
- 5 in the area. I may have drove by there, but four to
- 6 five. I mean, as far as operationally, the last
- 7 time I was there is when we logged the well.
- Q. And the flow line would have been assembled
- 9 at that point?
- 10 A. No, it wasn't.
- Q. Did you ever see the flow line assembly?
- 12 A. I never seen the flow line assembly.
- Q. Did anybody tell you how the flow line
- 14 assembly was set up?
- 15 A. Yeah. Phil did.
- 16 Q. After it was --
- 17 A. After it was installed.
- 18 Q. Okay. Did Mr. -- I think you mentioned
- 19 earlier there were some procedures that you had
- 20 either given Mr. Tate or discussed with him. Am I
- 21 remembering that correctly?
- 22 A. Yeah. You know, the frac job, give him
- 23 the -- where to perforate at and then, you know, the
- 24 frac job. I mean, Halliburton's deal is a real
- 25 thick deal. You know, I just said frac per attached

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- 1 experience?
- 2 A. That's right.
- 3 Q. Any other reason?
- 4 A. Not really. I mean, like I say, I think I,
- 5 you know, made the request to have Leland out there
- knowing I would be out of -- you know, out of -- you
- 7 know, out of the mix type deal, and I, you know,
- 8 specifically requested him on the drill-out so I
- 9 wouldn't have to worry about it because I, you know,
- 10 knew he could handle the job.
- 11 Q. When you had this plug drill-out and flow
- 12 back, I didn't under -- prior to Mr. Taylor's
- 13 injury, did you -- did you guys always -- did Nadel
- 14 and Gussman always specify that you had to have more
- 15 than one flow-back line when you were doing plug
- 16 drill-out and flow back?
- 17 A. Well, we've only done just a few. I mean,
- 18 you know, like I say, we hadn't done any in years
- 19 until last -- you know, I guess it would be two
- 20 years, almost two years now, and the other two jobs
- 21 we had done in the previous 30 days were both two
- 22 lines, but before then, I can't recollect.
- 23 It had been years since we did that just
- 24 the fact that the kind of wells we drilled were just
- 25 single stage wells. They weren't -- there wasn't a

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- Halliburton procedure, and, you know, it's in an
- 2 e-mail and it was in an attachment in a -- I think
- 3 they put them in a Word document.
- Q. And this had -- this was on the second frac 5 job?
  - A. On both stages.
- 7 Q. Okay. Was there any kind of flow-back
  - procedures, written flow-back procedures?
- 9 A. No.
- 10 Q. Were there just not any in this particular
- 11 case or there never is?
- 12 A. I never -- when I had Leland, I didn't see
- 13 there was a need for it.
- Q. Did you have written flow-back procedures
- 15 for other flow-back hands other than Leland?
- 16 A. Other than Leland, yeah, I would have them
- 17 written up when they obviously didn't have an
- 18 experienced person out there.
- 19 Q. Any of those you kept?
- 20 A. I would have to go and just -- you know, I
- 21 can't recollect. I would just have to go through my
- 22 list of wells.
- Q. And so the reason you didn't have
- 24 particular flow-back procedures to follow on the
- 25 Trawick No. 3 is -- was because of Mr. Taylor's

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- 1 need to drill out the plug because I think the last
- 2 ones -- I would have to go back through from, you
- 3 know, dates, but, you know, four or five years
- 4 probably between plugs.
- 5 Q. Tell me the name of those two wells again.
  - A. The ones -- the ones that Leland and
- 7 Forrest was on?
  - Q. Yes.
- 9 A. The Eidson No. 2 and the Warner No. 2.
- 10 Q. And when we say we have two lines, is that
- 11 the same thing as a manifold -- having a manifold,
- 12 or is that two different things?
- 13 A. That's two different things, but it's --
- 14 it's the ability to have two different, you know,
- 15 valve -- two different lines, where if one line
- 16 plugs, you can -- you know, you don't have to, you
- 17 know, attempt to blow it out. You can go ahead and
- 18 go down the other side and, you know, break it
- 19 loose, and instead of having pressure to try to blow
- 20 it out or something like that, you can, you know,
- 21 shut it in and flow on one side and clean out the
- 22 other side.
- 23 Q. So --
- A. It gives you the ability to flow. It gives
- 25 you the ability to flow either side is what I'm